

Section 4- New Employment Tax E-file System and Employment Tax Addresses

New Employment Tax *e-file* System

Introduction

The new Employment Tax *e-file* System is available now. This new system offers an improved way to file for current 940 and 941 *e-file* and On-Line Filing Partners, and, for the first time, Electronic Return Originators (EROs) will have the ability to offer electronic employment tax filing for their clients. The Employment Tax *e-file* System will offer new features and greater flexibility for filing employment tax returns.

Program History

The current employment tax programs began in the mid 1980s with the processing of magnetic tapes submitted by bulk filer Reporting Agents. In the mid 1990s, a 941 *e-file* system was developed with the functionality to receive and process returns electronically over dial-up phone lines, but the focus was still on the Reporting Agent filer. In the past several years, we have developed enhancements and additions to the 941 *e-file* program, including the addition of a 940 *e-file* option, but too many options proved confusing for our partners, and difficult to support for the software developer.

A need for an easier to use and easier to maintain system was identified. With help and feedback from our current 941 and 940 *e-file* partners, and other members of the software development and payroll professional community, we began the process of designing the Employment Tax *e-file* System.

Features of the New System

- **More filing options-** The Employment Tax *e-file* System accepts the following forms and schedules:
 - Form 941
 - Form 941PR
 - Form 941SS
 - Form 941c
 - Schedule B
 - Anexo B
 - Form 940
 - Form 940 PR
- **More Flexible Filing-** Forms 940 and 941 can now be filed in a single transmission file.
- **More Explicit Error Conditions-** New error conditions pinpoint the location of the error in the transmission, and provide complete information for each error identified.
- **Faster Acknowledgements-** Transmissions are processed upon receipt and acknowledgements are returned in near real-time. No more waiting for once- or twice-daily system processing cycles.

Section 4- New Employment Tax E-file System and Employment Tax Addresses

- **Integrated Payment Option-** Eligible filers may submit a required payment along with their return, subject to limitations imposed by the Federal Tax Deposit Rules.
- **Completely Electronic Signature Process-** Taxpayers and Reporting Agents can continue to sign their returns with their own IRS-issued Personal Identification Number (PIN)

Who Can Participate

- **Authorized IRS e-file Provider/Electronic Return Originators (EROs)-** If a tax preparer is already an ERO there is no need to revise Form 8633, *Application to Participate in IRS e-file Program*.
- **Reporting Agents-** An accounting service, franchiser, bank, (or other person that complies with Rev. Proc. 96-17, as modified by Section 21.02 of Rev. Proc. 99-39 and is authorized to prepare and electronically file Forms 940 and 941 for a taxpayer), can sign all of the electronic returns they file with a single PIN signature.
- **Third Party Transmitters-** A firm, organization, or individual that receives electronic return data from taxpayers, EROs, and Reporting Agents may reformat the data (if necessary), batch it with returns from other filers, and transmit the data to the IRS.
- **Software Developers-** Companies that develop software for their own use, or commercial sale for the purpose of electronically filing employment tax returns must have the software. The software must pass an assurance testing process prior to being approved for e-filing.

How to Participate

Transmitters, Reporting Agents, and Software Developers- Complete Form 9041, Application/Registration for Electronic Filing. Mail completed Forms 9041 to the Austin Submission Processing Center.

- Internal Revenue Service
AUSPC, Electronic Filing Help Desk
Attention: *e-file* Unit, Stop 6380 AUSPC
P.O. Box 1231
Austin, TX 78767

Electronic Return Originators (EROs)- If you are an approved ERO for the 1040 *e-file* program, you do not need to take any further action. You are already approved to file your employment tax returns electronically. New applicants must complete Form 8633, Application to Participate in the IRS *e-file* Program.

Section 4- New Employment Tax E-file System and Employment Tax Addresses

Business Taxpayers- If you are currently using software to do your 940/941, ask your software provider when they will offer the new employment tax e-file program, or check the list of Approved IRS e-file for Business Providers that will include software companies who are participating in the new Employment Tax e-file program. Also see “How Returns Are Signed” below.

How Returns Are Signed

- **Authorized IRS e-file Providers-** A Personal Identification Number (PIN) is used as the business filer’s signature. You or your client will register through an approved software provider for a PIN. The software will request information pertaining to your business client. This must be done before filing your client’s return. The IRS will then send the business client the PIN. When the business client receives the PIN, you are ready to file their Form 940 and 941 electronically.
- **Payroll Preparation Service-** Reporting Agents sign all of the electronic returns they file with a single PIN signature.
- **Business Filers-** A PIN is used as your signature. When you register for a PIN through an approved software provider, the software will request information pertaining to your business. Once this information is submitted, the IRS will send you a PIN and you will be ready to file your Forms 940 and 941 electronically.

Employment Tax e-file- Frequently Asked Questions And Answers

Q1) I was issued a PIN in 01/2002 and filed my own return electronically. My business is now growing. Can I go to an Authorized IRS e-file Provider?

A1) Yes.

Q2) Do I need a new PIN?

A2) No. A PIN remains active as long as it has been used during the previous year.

Q3) How do I pay my taxes electronically?

A3) There are two methods available to make electronic payments:

- Integrated File and Pay - Business filers can e-file and, at the same time, pay the balance due electronically by authorizing an electronic funds withdrawal.

Section 4- New Employment Tax E-file System and Employment Tax Addresses

- **EFTPS** – Businesses can make their Employment Tax payments electronically using EFTPS. You may use the Internet, the phone, or PC software. Visit www.eftps.gov for more information or call EFTPS Customer Service at 1-800-555-4477 or 1-800-945-8400.

Q4) When are Returns Due?

A4) Form 941 filed through the 941 e-file Program has the same due date as a Form 941 filed on paper with due dates as follows:

Quarter Ending	Normal Due Date	Extended Due Date
March 31 st	April 30 th	May 10 th
June 30 th	July 31 st	August 10 th
September 30 th	October 31 st	November 10 th
December 31 st	January 31 st	February 10 th

Form 940 e-file returns are annual returns with a calendar year ending and have the same due date as a Form 940 filed on paper- January 31, 2002. If all taxes have been paid in full, the return due date is extended by ten days (February 10, 2002).

Note: The extended due dates shown above apply to returns for which all taxes have been paid in full by the normal due date.

Additional information regarding due dates, and Forms 941 and 940 can be found in Publication 15, *Circular E, Employer's Tax Guide*.

Q5) How do I locate an Authorized IRS e-file Provider to file my return?

A5) You can visit the [IRS e-file Resources](#) page on the IRS Web site to locate an authorized provider in your area. Please check with the provider to ask if they file Forms 940 and 941 electronically.

Q6) What should I do if I used my PIN last quarter and I lost my PIN?

A6) If you lost your PIN you should notify the IRS Austin Help Desk 512-460-8900.

Q7) Where Can I Find Additional Information?

A7) For more information regarding the Employment Tax e-file System, visit the IRS Web Site at www.irs.gov/efile, and click on 94x Under XML Schemas at the bottom of the page to reach the 94x XML Developers' Forum.

Section 4- New Employment Tax E-file System and Employment Tax Addresses

The 94x XML Developers' Forum provides a single point of reference for the new system. The Developers' Forum contains links to the 94x XML Schemas, Schema Updates, Change Pages, guides to transmission file construction, News & Announcement Links, and Issue Lists for future development or enhancements. You may also download or view a draft release of Publication 3823, *Employment Tax e-file System Implementation & User Guide*.

Contact Information

If you have questions or comments you may contact the Employment Tax *e-file* System Development Team at: e-fileemptax@irs.gov. Use this address to contact us with questions or issues related to the Employment Tax *e-file* System in XML.

Where to File Addresses and Lock Box Addresses

The IRS.gov [Where to File for Businesses and Tax Professionals](#) offers the current address on where to file for 2003. These addresses are to be used by businesses filing their own taxes or tax professionals filing taxes for their clients. Additional where to file addresses for business returns can be found on the same page in PDF format.